

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**SB 2312 - HB 2608**

March 7, 2018

**SUMMARY OF BILL:** Requires the Division of TennCare (Division) to establish a procedure, no later than November 1, 2018, that allows recipients who are under the age of 18 to reapply for medical assistance benefits online without requiring any paper forms.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$1,500,000/One-Time**

**Increase Federal Expenditures - \$13,500,000/One-Time**

**Assumptions:**

- Based on information provided by the Division, the Division cannot accommodate the proposed legislation within existing resources.
- The Division is working on the Tennessee Eligibility Determination System (TEDS) that will have the required provision in place through a pilot in December 2018, and fully implemented in late March 2019.
- The proposed legislation would force the Division to prioritize the requirements on the proposed legislation and push back implementation of other TEDS releases several months.
- Currently, the Division has a fixed contract and spending is \$5,000,000 per month. The federal match rate for these expenditures is 90 percent federal funds and 10 percent state funds.
- Assuming a 3-month delay, the one-time increase in expenditures is estimated to be \$15,000,000 (\$5,000,000 x 3 months). Of this amount, \$1,500,000 (\$15,000,000 x 10.0%) will be in state funds and \$13,500,000 (\$15,000,000 x 90.0%) will be in federal funds.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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